



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: LB 19-046, **Version:** 1

DATE: December 17, 2019

TO: Mayor and City Council

FROM: City Manager

SUBJECT

Introduction of an Ordinance Increasing the Commercial Cannabis Tax Rate to 7% of Gross Sales (Continued from October 29, 2019)

RECOMMENDATION

That the City Council introduces an ordinance amending Section 8-21.11 of Article 21, Chapter 8 of the Hayward Municipal Code, increasing the Commercial Cannabis Tax rate from 6% to 7% of gross sales (Attachment II).

SUMMARY

In November 2016, 60% of Hayward voters approved Measure EE, establishing a general tax of no more than 15 percent of gross receipts for all products associated with medical or adult use of cannabis. As a general tax, Measure EE revenue may be used for any municipal purpose. In March 2018, the City Council initially set the Measure EE tax rate at 6% of gross receipts.

Since January 2018, the City has issued Commercial Cannabis Permits to 23 cannabis businesses. The Commercial Cannabis Permit program requires future cannabis businesses to submit, via a request for proposals, a business proposal that outlines a business plan, management experience, safety and security plans, and several other business components. Proposers had to also outline community benefits each business would provide to the City as a condition of being approved to operate.

ATTACHMENTS

Attachment I Staff Report

Attachment II Ordinance